

# UNITED STATES DEPARTMENT OF COMMERCE

## Economic Development Administration



### 1999 FACT SHEET

#### LEGISLATIVE MANDATE FOR ECONOMIC DEVELOPMENT

Created by Congress pursuant to the Public Works and Economic Development Act of 1965, as amended by the Economic Development Administration Reform Act of 1998, the Economic Development Administration (EDA) provides grants for infrastructure development, local capacity building, and business development to help communities alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions. Public Law 105-393, signed on November 13, 1998, authorizes EDA for five years.

#### EDA PROVIDES STRONG FEDERAL LEADERSHIP IN ECONOMIC DEVELOPMENT

( EDA provides the capacity at the local level that allows distressed areas to develop their own locally-based comprehensive economic development strategies.

( EDA supports local programs that target assistance to specific economic development needs in distressed communities. It helps finance long-term investments needed to diversify local economies and create jobs.

( EDA helped create the economic development profession through planning programs that foster capacity-building, economic prosperity, and competitiveness.

( EDA shares its extensive expertise in economic development and maintains partnerships with other Federal agencies, such as the Departments of Defense, Labor, Energy, Agriculture and Housing and Urban Development, the Environmental Protection Agency, the U.S. Corps of Engineers, the Appalachian Regional Commission, and the Federal Emergency Management Agency, to promote economic development in distressed areas.

( EDA investments help communities faced with declining natural resources to diversify local economies through sustainable development activities. EDA has assisted fishing communities (aquaculture facilities included) in the Northeast, as well as timber and salmon areas in the Pacific Northwest, and coal communities in Appalachia. EDA supports the redevelopment of brownfield sites and the development of eco-industrial parks.

#### EDA RESPONDS TO COMMUNITY NEEDS AND PRIORITIES THAT CREATE PRIVATE SECTOR JOBS AND LEVERAGE PRIVATE CAPITAL

( Since 1965, EDA has invested more than \$16 billion in grants across all programs, including local public works and special initiatives such as responding to natural disasters and defense conversion, and has generated more than \$36 billion in private investment. EDA's public works investments generate \$10.08 million in private sector investment and \$10.13 million in local tax base for every \$1.0 million of EDA funds.

( EDA programs pay for themselves by helping create jobs and generating tax revenues in distressed communities.

( Through a national network of economic development professionals, EDA works with local, county, and state officials, business leaders, economic development districts and non-profit organizations to identify and fund high priority projects in the neediest communities.

( Economic development professionals located in EDA's regional and field offices review, recommend and approve projects identified as state, local and regional economic development priorities.

#### EDA PROGRAM TOOLS SERVING OUR NATION'S MOST DISTRESSED COMMUNITIES

( **Public Works:** EDA investments fund locally-developed public works infrastructure projects to allow communities to establish and support private sector businesses. EDA public works investments have assisted in creating more than 1.5 million jobs since 1965.

( **Planning:** EDA supports 320 Economic Development Districts (EDD) and 65 Indian Tribes, staffed and operated locally to help communities build capacity to focus on long-term economic challenges. EDD organizations are often coordinating entities for various Federal and state programs.

( **University Centers:** EDA supports 69 University Centers to integrate programs of higher education into the local community for the purpose of promoting private job creation and economic development.

( **Trade Adjustment:** EDA supports a nationwide network of twelve Trade Adjustment Centers that offer effective, cost-shared professional assistance to trade-injured firms. This assistance helps U.S. manufacturing firms injured by imports to develop strategies for competing in the global market place.

( **Defense Economic Adjustment:** EDA invests in local projects identified by communities impacted by military base closures, contractor cutbacks, and Department of Energy reductions, to help them diversify their economies and create quality jobs. A Department of Defense 1995 recommendation to close or realign 146 bases increased the need to assist impacted communities. EDA is the only Federal agency with flexibility to invest in infrastructure modernization at closed military bases for private sector redevelopment. Examples of infrastructure investments include building demolition, water and sewer upgrades, access roads and construction of new and rehabilitation of existing buildings.

( **Post-Disaster Economic Recovery:** EDA provides post-disaster assistance to areas affected by Presidentially-declared natural disasters. EDA has assisted communities in the States of Texas, Louisiana, and Mississippi (1969 Hurricane Camille); North Carolina, Virginia, New York, and Pennsylvania (1972 Hurricane Agnes); South Dakota (1972 Rapid City Floods); Puerto Rico, Virgin Islands, South Carolina and North Carolina (1989 Hurricane Hugo); Kansas (1992 Severe Storms); Guam (1992 Typhoon Omar); Hawaii (1992 Hurricane Iniki); Florida (1992 Hurricane Andrew); Nebraska, Kansas, Missouri, Illinois, Iowa, Minnesota, North Dakota, South Dakota, and Wisconsin (1993 Midwest Floods); California (1992 Riots and 1990 and 1994 Earthquakes); Puerto Rico and the Virgin Islands (1995 Hurricane Marilyn); Georgia, Alabama, and Florida (1995 Tropical Storm Alberto); Oregon, Idaho, North Dakota and Washington (1996 Floods); North Carolina, Puerto Rico, Pennsylvania, Virginia, West Virginia, and the Virgin Islands (1996 Hurricanes Fran and Hortense); and, Minnesota, North Dakota, and South Dakota, (1997 Upper Midwest Floods).

( **Revolving Loan Funds:** Revolving loan funds (RLF) enhance the local capacity to invest in community-identified commercial development that creates jobs. Since 1976, when the RLF program was implemented, EDA has provided initial capital for over 580 local RLFs. These locally administered funds have made more than 7,200 loans to private businesses and have leveraged more than \$1.9 billion in private capital. Upon repayment, principal and interest stay in the community for re-lending and further economic development activity.

( **Local Technical Assistance:** EDA's local technical assistance grants help to fill the knowledge gaps that inhibit communities from responding to development opportunities or solving specific economic problems. A common purpose of these grants is to determine the feasibility of proposed economic development investments.

( **National Technical Assistance Research, and Evaluation:** EDA's national technical assistance, research, and evaluation grants help increase knowledge about emerging economic development issues, measure program performance, and meet the information and education needs of local, State and national economic development practitioners and organizations.

( **Economic Development Information Clearinghouse (EDIC):** EDIC is a free service maintained at EDA that provides information about economic development at the Federal, state, and local levels. The data base contains a compendium of government programs, and a variety of other materials and contacts designed to assist economic development professionals, businesses and communities in alleviating or preventing economic distress. [[HTTP://netsite.esa.doc.gov/edic](http://netsite.esa.doc.gov/edic)]

<p style="text-align: center;"><b>EDA MANAGEMENT INITIATIVES - REFORM, STREAMLINING, AND REINVENTION</b></p>
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( **EDA** is customer-focused and efficiency-driven, having reduced processing time frames of completed grant applications, delegated grant-approval authority to regional directors, and implemented use of a simplified application.

( **EDA** reduced staffing levels and shifted personnel resources from headquarters to field operations to improve customer service and support National Performance Review goals of right-sizing the Federal Government.

( **EDA** had streamlined old regulations by 62 percent. As required by enactment of EDA reauthorization legislation, new EDA regulations that adhere to plain language guidelines are effective February 11, 1999.

( **EDA** has implemented a program performance system (Government Performance and Results Act of 1993) and a strategic planning process that includes the independent evaluation of EDA programs.

( **EDA** is recognized for its accomplishments: Number One in customer service at the Department of Commerce; recipient of Arthur D. Little Award for Technological Excellence; and recipient of two Department of Commerce Cutting Edge Awards for Regulatory and Application Reform.

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Compiled by:  
Office of Communications and Congressional Liaison  
(Revised January 1999)

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